

CHAPTER 93
NONPOINT SOURCE POLLUTION CONTROL SET-ASIDE PROGRAMS

567—93.1(455B,466) Statutory authority. The authority for the Iowa department of natural resources to administer the clean water state revolving fund (CWSRF) to assist in the construction of wastewater treatment facilities and water pollution control projects is provided by Iowa Code sections 455B.291 to 455B.299.

567—93.2(455B,466) Scope of title. The department has jurisdiction over the surface water and groundwater of the state to prevent, abate and control pollution. As part of that general responsibility, the department and the Iowa finance authority are jointly delegated the administration of the CWSRF. Definitions provided in 567—Chapter 90 apply to this chapter.

567—93.3(455B,466) Purpose. Iowa's nonpoint source management plan identifies several sources of nonpoint source pollutants. In addition to assisting publicly owned treatment works, it is the intent of the commission to set aside a portion of the CWSRF for the purpose of making low-interest loans for nonpoint source water pollution control projects. Four separate set-asides are identified as follows:

93.3(1) *Onsite wastewater treatment and disposal systems fund.* The purpose of this fund is to assist rural homeowners to rehabilitate or improve existing onsite wastewater treatment and disposal systems.

93.3(2) *Livestock water quality facilities set-aside.* The purpose of the set-aside is to assist owners of existing animal feeding operations to meet state and federal requirements. Projects may be selected using the rating and ranking process in 567—Chapter 91.

93.3(3) *Local water protection projects set-aside.* The purpose of the set-aside is to assist local water protection projects that will provide water quality improvement or protection. Projects may be selected using the rating and ranking process in 567—Chapter 91.

93.3(4) *General nonpoint source project assistance set-aside.* The purpose of the set-aside is to assist general nonpoint source projects that will provide water quality improvements or water quality protection. This set-aside allows for funding of the water quality protection portion of nontraditional projects. Projects may be selected using the rating and ranking process in 567—Chapter 91.

567—93.4(455B,466) Onsite wastewater system assistance program.

93.4(1) *Onsite wastewater assistance fund.* The onsite wastewater assistance fund (OSWAF) is a separate fund within the state treasury. The OSWAF is a revolving loan fund used to provide low-interest loans to homeowners for improving and rehabilitating onsite wastewater treatment systems and consists of two accounts: a financing account and an administration account. Funds deposited in the OSWAF consist of state-appropriated funds, annual capitalization grants provided under Title VI of the federal Clean Water Act, equity fund moneys, loan repayments, interest accrued on funds, and all other moneys specifically designated for use in the OSWAF. The amount to be set aside for the OSWAF is identified in the annual intended use plan.

93.4(2) *Eligibility and restrictions for participation in the onsite wastewater treatment system assistance program.* Assistance under the onsite wastewater treatment system assistance program shall be in the form of low-interest loans made by participating lending institutions through a linked deposit arrangement with the CWSRF. The following eligibility conditions and restrictions apply to such assistance.

a. Location restrictions. Assistance is available for the improvement or rehabilitation of onsite wastewater treatment systems located outside of corporate boundaries. Assistance cannot be provided for improvements to or rehabilitation of onsite systems located within incorporated limits.

b. County eligibility. Assistance shall be provided only for systems located in counties that have an environmental health program meeting minimum standards for onsite sewage systems. The department shall maintain for public record a list of all counties meeting such standards. At a minimum, counties must carry out statutory responsibilities as provided in Iowa Code section 455B.172 as well as provide for the following measures. The department will adopt guidance in cooperation with county boards of health to evaluate the adequacy of county programs.

(1) Proper site evaluations to determine the appropriate design and size of onsite wastewater treatment systems prior to permitting and installation.

(2) Inspection of onsite systems by a qualified inspector at the time of renovation or construction.

(3) Enforcement of existing monitoring requirements, in accordance with rule 567—69.2(455B), for existing, permitted onsite systems with secondary treatment which discharge aboveground, such as those authorized by NPDES General Permit No. 4 in rule 567—64.6(455B).

(4) Assurance of regular system maintenance and monitoring for the life of the loan for those systems receiving assistance under the onsite wastewater systems assistance program.

c. Eligible project costs. The amount of assistance available shall be limited to the total costs deemed necessary, reasonable, and directly related to the repair, rehabilitation, or replacement of an onsite treatment system needed to meet state or local standards for onsite systems. Eligible costs include all costs directly related to the design, permitting and construction of an onsite wastewater treatment system. Eligible costs include the removal of existing structures, such as septic tanks, earth moving or any land purchases directly related to proper wastewater treatment. Eligible costs do not include additional earthwork, reseeding, replanting, or any other aesthetic improvements. Maintenance or monitoring costs are not considered eligible costs. Eligible costs must be incurred within one year of the issuance of the onsite construction permit by the county.

d. Applicant eligibility. Assistance is limited to applicants who meet the applicable provisions of 567—Chapter 69 and all other local provisions for the siting and construction of onsite wastewater treatment and disposal systems and who demonstrate to the satisfaction of the participating lending institution that the applicants can repay the loan.

e. Project eligibility. Assistance can be provided only for the repair, rehabilitation, or replacement of existing onsite wastewater treatment and distribution systems. Assistance is not available for new housing. A system serving an equivalent of 16 individuals or more (with an average daily flow of 1500 gallons or more) is considered a public system (requiring permitting by the DNR) and is not eligible under this program.

f. Property eligibility. As a qualification of eligibility for the loan program, the department may set a limit on the assessed valuation of the dwelling or building served by the onsite wastewater system needing renovation.

93.4(3) Participating lending institutions. Any lending institution as defined in rule 90.2(455B) is eligible to participate in the program by signing an agreement with the department or its financial agent. The agreement will contain the responsibilities of the department to the participating lending institution and vice versa as well as relevant loan conditions and restrictions. The department will provide the format of the agreement. The department or its financial agent will maintain for public record a list of participating lending institutions.

a. Responsibilities of the department to participating lending institutions. For participating lending institutions, the department or its financial agent will:

(1) Provide materials such as pamphlets, brochures, loan application forms and other relevant materials necessary to inform applicants about the program and to assist lenders in completing the loan process.

(2) Ensure the timely transfer of funds in accordance with the terms and conditions set forth in the agreement between the department and the lending institution.

b. Responsibilities of participating lending institutions to the department or its financial agent. The responsibilities of participating lending institutions include:

- (1) Making a determination of whether a loan can be secured.
- (2) Rendering a judgment on the applicant's ability to repay the loan.
- (3) Approving or denying the loan application. The lending institution may approve a loan agreement when it is determined that the application complies with the requirements of this chapter. The loan agreement between the applicant and the lending institution shall be a binding obligation under Iowa law and shall include loan terms and conditions for the loan period. The state and the department are not liable to an eligible lending institution in any manner for payment of the principal or interest on the loan to an eligible borrower.

- (4) Notifying the department or its financial agent of a loan to reserve funds for the onsite system improvements funded by the loan.

- (5) Notifying the department or its financial agent when the onsite system improvements funded by the loan are completed and inspected. The department or its financial agent will then make a linked deposit equal to the amount of the loan in the form of a certificate of deposit to the lending institution. The lending institution will then service the loan with the linked deposit.

- (6) Notifying the department, after a reasonable attempt has been made to collect delinquent payments, when a loan has been in default for 90 days.

93.4(4) Onsite wastewater assistance fund financial agent. To assist the department in administering the onsite wastewater treatment system assistance program, the department may appoint a financial agent responsible for managing the funds in the OSWAF. The responsibilities of the financial agent shall be provided in an agreement between the department and the agent. The responsibilities of the financial agent may include:

- a.* Developing a management plan for the OSWAF. The management plan shall determine how the fund will be managed to provide the lowest interest loans while maintaining financial security and ensuring the perpetuity of the fund. Included in the management plan shall be the methods and terms for transfer of funds from the OSWAF to participating lending institutions and repayment of funds thereto.

- b.* Reserving loan funds equal to the amount of the loan as each loan is approved by participating lending institutions.

- c.* Distributing funds to lending institutions as stipulated in agreements with lending institutions.

- d.* Acting as liaison between the department and the lending institutions.

- e.* Maintaining for public record a list of participating lending institutions.

- f.* Reporting financial information pertaining to the OSWAF.

93.4(5) Applying for assistance. Prior to applying for a loan from a participating lending institution, an eligible individual or entity must receive approval of the proposed improvements from the county in which the onsite wastewater treatment system is located.

- a. County requirements for individual applicants.* Applicants requesting county approval shall submit forms provided by the county which include:

- (1) A description of the type and general specifications of the proposed work.

- (2) Project cost estimate(s).

- (3) A proposed construction schedule.

- b. County requirements for cluster system applicants.* Applicants seeking financial assistance for cluster systems using onsite technology must include with their application to the county:

- (1) A description, if available, of each participating property owner's current onsite wastewater treatment system, including a discussion of existing and potential problems or failures in the current treatment scheme.

- (2) An estimate of the population and number of households to be served.

- (3) A rationale for the proposed design of the new treatment system.

- (4) Descriptions of the management entity and program.

c. *County review.* The county shall review applications to determine if the proposed work meets the applicable provisions of 567—Chapter 69 and all other relevant local provisions for the siting and construction of onsite wastewater treatment and distribution systems. For proposed projects that meet relevant criteria, the county shall issue a permit or certificate. The county permit or certificate shall be accompanied by a cost estimate and proposed construction schedule. A county may deny an application for reasons of noncompliance with applicable state and local criteria. Written notification of the denial shall be provided to the applicant and shall state the reason(s) that the application was denied.

d. *Lender requirements for applicants.* The applicant for a loan shall submit to a participating lending institution an application form as prescribed by the department of natural resources or deemed acceptable by the department's financial agent. Also, the applicant shall include a copy of the county permit or certificate approving the proposed project. The applicant is obligated to provide any other specific information the lender may deem necessary.

e. *Loan application processing and disbursement of funds.* The process for awarding and managing loans shall be in full accordance with the terms established by the department or its financial agent(s) and the provisions of this chapter.

(1) Loan approval or disapproval. Upon receipt of a completed loan application form with relevant information as described in 93.4(5)“d,” the participating lending institution shall either approve or deny the loan within ten working days. The lending institution shall notify the applicant of loan conditions and limitations at the time of initial application. Before acting on the loan application, the lending institution shall ensure that adequate OSWAF funds are available. If the loan is approved, the lending institution shall notify the loan applicant in writing that the loan has been approved and notify the department's financial agent within two working days of approval of the loan application in order to reserve funds in that amount to ensure that adequate funds are available at the time of disbursement. If the loan is denied, the lending institution shall notify the loan applicant in writing, clearly stating the reasons for denial. Reasons for denial may include that funds are not available or that the applicant presents an unacceptable level of loan risk.

(2) Disbursement of funds. Upon completion of the onsite wastewater treatment system improvements, the loan applicant shall furnish the lender with copies of all bills relating to the costs of the improvements which were preapproved on the loan application as specified in 93.4(2)“c,” and certification from the county that the improvements were accomplished in accordance with the approved plans and meet relevant state and local requirements for onsite wastewater treatment systems. The loan shall be subject to the conditions and limitations provided in 93.4(5)“f.” If actual costs are less than the amount requested on the loan application, then the actual loan amount will equal those costs. The lending institution is authorized to execute a loan for a principal of up to 10 percent above the amount of the loan application if costs exceed the application amount. In this case, the loan applicant shall provide the lending institution with a written explanation for any cost overruns.

f. *Loan conditions and limitations.*

(1) Loan amount and period. The minimum loan granted under this program shall be \$2,000. The loan period shall not exceed ten years. Loans shall be made contingent on the availability of funds from the OSWAF.

(2) Number of loans. There will be no limit to the number of loans an applicant may receive. Each approved application will be handled as a new loan.

(3) Loan execution. The loan agreements to be executed by the applicant and the lending institution shall be a binding obligation under Iowa law, include conditions and terms to be effective for the loan period, and be accompanied by evidence of satisfactory security, legality, and enforceability.

(4) **Eligible costs.** All costs directly related to the design, permitting, construction, and financing of the onsite wastewater treatment system are eligible for loans. Eligible costs include the removal of existing structures, such as abandoned septic tanks, earth moving or any land purchases directly related to proper wastewater treatment. Eligible costs do not include additional earthwork, reseeding, replanting, or any other aesthetic improvements. Maintenance or monitoring costs will not be allowed as part of the loan. Eligible costs must be incurred within one year of the issuance of the septic construction permit.

(5) **Recipient record keeping.** The loan recipient shall maintain adequate records that document all costs associated with the project. The loan recipient shall agree to provide access to these records to the department, the state auditor, the EPA SRF project manager, and the Office of the Inspector General at the Environmental Protection Agency. The loan recipient shall retain all project records and documents for inspection and audit purposes for a period of three years from the date of the final loan payment.

(6) **Site access.** The loan recipient shall agree to provide the department and the administrative authority access to the construction site to verify that the loan was used for the purpose intended and that the constructed works meet applicable state and local environmental requirements and ordinances for onsite wastewater treatment systems. The loan recipient also shall agree to provide access to the onsite system for periodic monitoring by the department and administrative authority, at times mutually agreed upon with the system owner, for the duration of the loan.

(7) **Loan termination.** The department or its financial agent(s) shall have the right to terminate any loan when terms of the agreement have been violated.

(8) **Repayment.** Loans shall be repaid in accordance with the terms and conditions of the executed loan agreement. Repayment of the loan must begin no later than 30 days after the date specified in the selected repayment schedule.

(9) **Interest.** The loan interest rate shall not exceed 3 percent per year. The actual interest rate charged shall be in accordance with the participating lending institution's agreement with the department or its financial agent.

(10) **Prepayment.** Prepayment of the principal in whole or in part shall be allowed without penalty.

(11) **Property transfer.** In the event of a property transfer from the original landowner who secured the loan to another person or entity during the repayment period specified in the loan agreement, the balance of the loan shall be due in full.

(12) **Loan delinquency.** Failure of the loan recipient to repay the loan in accordance with the schedule contained in the loan agreement will result in the loan's being declared in default. For a loan delinquent more than 90 days, the interest rate shall accelerate immediately to the current legal usury limit, shall be applied to the entire unpaid principal, and shall be prorated for the period for which the installment is delinquent.

93.4(6) Rectification. Failure of an onsite wastewater treatment system to conform to approved plans and specifications or failure of a loan recipient to comply with the requirements of 567—Chapter 69 constitutes grounds for the administrative authority to withhold authorization of loan disbursements to the loan recipient. The loan recipient is responsible for ensuring that the identified problem is rectified. Once the deficiency is corrected, the loan funds can be released.

93.4(7) Disputes with the administrative authority. A person or entity that disagrees with the withholding of loan funds may request a formal review of the action. The person or entity must submit a request for review in writing to the director within 30 days of the date of notification action.

93.4(8) *Priority allocation of funds and intended use plan.* The department shall, on an annual basis, prepare a plan describing the amount of funding available for loans under the program for the coming state fiscal year. The plan shall also identify those counties qualified to participate in the program and provide an estimate of the loan funds needed in those counties within the coming year. To the extent that the pool of funds available for lending involves funds controlled by Title VI of the federal Clean Water Act, this plan shall be incorporated into the annual intended use plan authorized in 567—Chapter 92.

93.4(9) *Targeted assistance.* The department may set aside a portion of the annual available funds identified in the IUP for financing onsite wastewater treatment systems in targeted areas. Such targeted areas may include impaired watersheds, high-density housing areas, agricultural drainage areas, or other environmentally sensitive or degraded areas where the repair and rehabilitation of onsite wastewater treatment systems are needed to preserve and protect water quality. The annual intended use plan shall specify the need for targeted assistance, the areas covered, and the estimate of funds needed to address the water quality problems.

567—93.5(455B) Livestock water quality facilities requirements.

93.5(1) *Livestock water quality facilities assistance.* Assistance under the CWSRF shall be in the form of low-interest loans made by participating lending institutions or in other manners as specified in an agreement with a pass-through loan recipient. The following eligibility conditions and restrictions for participation apply to such assistance.

a. Location preferences. Livestock water quality facilities located in watersheds with Section 303(d) waters or waters determined to be impaired in the Section 305(b) report will be given a higher priority for funding. See 567—91.9(455B).

b. Eligible project costs. The amount of assistance available shall be limited to the total costs deemed necessary, reasonable and directly related to the facilities required to provide water pollution control as required by the department.

c. Applicant eligibility. Assistance is limited to livestock producers operating animal feeding operations that are eligible to receive assistance from the state revolving fund according to current federal laws and regulations.

NOTE: Current federal laws and rules as of August 2005 do not allow assistance for concentrated animal feeding operations or assistance for animal feeding operations that will become concentrated animal feeding operations as a result of the project.

Loans will be made only to livestock producers that are operators of record and have legal control of the property containing the animal feeding operation for the duration of the loan.

d. Project eligibility. The water pollution control facilities considered eligible for assistance include: lagoons, waste treatment and equipment, including but not limited to land used as part of the waste treatment system, storage or holding structures, composters, pipes, pumps, agitation equipment, fencing around lagoons, water systems used to flush water in waste treatment systems, irrigation systems, tank wagons, manure spreaders, waste collection and processing equipment (including without limitation tank trucks, loaders, skid loaders, and waste irrigation equipment), recycle pumps, portions of feeding floors and loafing areas used for waste collection, tractor blades used for scraping waste, vegetative filters, filter strips, water and sediment control basins, contour buffer strips, diversions, fencing and cross fencing along with any associated watering facilities, and other similar structures, equipment or water pollution abatement activities as may be found in approved manure management plans or comprehensive nutrient management plans, provided that portions of the foregoing (except water systems used for flush water in waste treatment systems and composters) located within a poultry house, milk parlor or hog-confinement facility (such as a slated floor) shall be excluded. Assistance for development of comprehensive nutrient management plans, as defined by the USDA Natural Resource Conservation Service, is eligible. Assistance may be available for replacement animal feeding operations which will eliminate an existing animal feeding operation that is identified as impacting a Section 303(d) listed stream or is documented as causing or contributing to a water quality impairment or will eliminate a documented pollutant source from a cold water stream or publicly owned lake.

93.5(2) *Applying for assistance.* Application for project approval shall be made on forms provided by the department or its agent.

93.5(3) *State review and approval.* Prior to receiving assistance, a livestock producer shall submit to the department complete plans and specifications of the facilities to be constructed and a complete list of all waste or nutrient management documents to be developed. The department will review the plans and specifications for compliance with design standards. Once the plans and specifications are determined to meet the design requirements and manure and waste control needs of the animal feeding operation, the department will issue a letter of project approval or construction permit (whichever is applicable) to the livestock producer. Other forms of project approval will be accepted as determined by the department.

93.5(4) *Duration of the project.* The project is to be maintained, kept in place or operated as proposed for the life of the loan.

93.5(5) *Manure management plan required.* The livestock producer shall have a manure management plan approved by the department to be eligible for the loan or, as part of the loan, develop a manure management plan.

93.5(6) *Eligible costs.* All costs directly related to the design, permitting, construction and financing of the water pollution control facilities are eligible costs. Costs for development of a manure management plan are eligible costs.

93.5(7) *Ineligible costs.* Costs for development of new animal feeding operations are not eligible costs. Assistance may be available for replacement animal feeding operations which will eliminate an existing animal feeding operation that is identified as impacting a Section 303(d) listed stream or is documented as causing or contributing to a water quality impairment or will eliminate a documented pollutant source from a cold water stream or publicly owned lake. Costs for water pollution control facilities, including design, permitting, construction or financing, that allow for the animal feeding operation to expand and become a concentrated animal feeding operation are not eligible costs. Costs for the purchase of land to be used for application of wastewater or manure are not eligible costs. Costs for operation and maintenance or updating a comprehensive nutrient management plan are not eligible costs. Refinancing of water pollution control facilities constructed prior to the implementation of this program is not an eligible cost.

93.5(8) *Site access.* The livestock producer shall agree to provide the department and the department's agent access to the construction site to verify that the loan was used for the purpose intended and that the construction work meets the applicable state and federal requirements for animal feeding operations. The livestock producer also shall agree to provide the department periodic access to the animal feeding operation for the duration of the loan to ensure that the constructed facility is being operated and maintained as designed.

93.5(9) *Interest rate.* The loan interest rate shall be established annually in the IUP. The loan interest rate is not to exceed the prevalent interest rate and will take into account the administration cost of the livestock water quality facilities set-aside.

567—93.6(455B) Local water protection project requirements.

93.6(1) *Local water protection project assistance.* Assistance under the CWSRF shall be in the form of low-interest loans made by participating lending institutions through a linked deposit arrangement with the CWSRF. The following eligibility conditions and restrictions for participation apply to such assistance.

a. Location preferences. Local water protection projects to be carried out in watersheds with Section 303(d) waters, waters determined to be impaired in the Section 305(b) report, or watersheds with approved management plans or total maximum daily load implementation plans are to be given a higher priority for funding. See 567—91.10(455B).

b. Eligible project costs. The amount of assistance available shall be limited to the total costs deemed necessary, reasonable and directly related to the practices required to provide water quality improvements or protection as identified in an approved watershed management plan or in a total maximum daily load implementation plan prepared by the department.

c. Applicant eligibility. Assistance is available to any person who owns land that needs local water protection projects installed to control runoff of sediments, nutrients, pesticides or other nonpoint source pollutants into waters of the state. Loans will be made only to persons who are owners of record of the property where the local water protection projects are to be installed. Assistance is limited to livestock producers operating animal feeding operations that are eligible to receive assistance from the state revolving fund according to current federal laws and regulations.

NOTE: Current federal laws and rules as of August 2005 do not allow assistance for concentrated animal feeding operations or assistance for animal feeding operations that will become concentrated animal feeding operations as a result of the project.

d. Eligible practices. The local water protection practices that are considered eligible include, but are not limited to, composting facility, contour buffer strips, diversion, fence, field border, field windbreak, filter strip (with trees, shrubs), filter strip (waste treatment), grade stabilization structure, grassed waterway, pasture and hayland planting, planned grazing system, pond, riparian forest buffer, sediment basin, terrace, underground outlet, waste management system, waste storage facility, waste treatment lagoon, water and sediment control basin, and other practices that are shown to improve or protect water quality.

93.6(2) Applying for assistance. Application for project approval shall be made on forms provided by the department or its agent.

93.6(3) Local review and approval. Prior to receiving assistance, the applicant shall submit an application to the local soil and water conservation district. The local soil and water conservation district will evaluate the application, provide an estimated cost, and certify that the practice is compatible with state water quality goals.

93.6(4) Duration of the project. The project is to be maintained, kept in place or operated as proposed for the life span of the practice, but in no case for less than the life of the loan.

93.6(5) Eligible costs. All costs directly related to the implementation of local water protection projects approved in the memorandum of project approval are eligible costs. A local water protection project for an animal feeding operation for which the loan amount is \$50,000 or less is eligible for this set-aside on the condition that the applicant has a manure management plan approved by the department.

93.6(6) Ineligible costs. Costs for the purchase of land are not eligible costs.

93.6(7) Site access. The applicant shall agree to provide the department or the department's agent access to the project site to verify that the loan was used for the purpose intended.

567—93.7(455B) General nonpoint source project requirements.

93.7(1) General nonpoint source assistance. Assistance under the CWSRF general nonpoint source (GNS) set-aside shall be in the form of low-interest loans made directly or by participating lending institutions through a linked deposit arrangement with the CWSRF. The following eligibility conditions and restrictions for participation apply to such assistance.

a. Location preferences. General nonpoint source water pollution control projects will be rated according to rule 567—91.11(455B).

b. Eligible project costs. The amount of assistance available shall be limited to the total costs deemed necessary, reasonable and directly related to the facilities or practices required to provide water quality improvements, restoration or protection. Participation in nontraditional projects where the primary purpose is not water quality protection or improvement will be limited to the portion of the project that is directly related to water quality improvement, restoration or protection.

c. *Applicant eligibility.* Assistance is available to projects for which facilities are needed to protect, restore or improve water quality from nonpoint source pollution. Only applicants that are owners of record of the property or have long-term control of the property where the project is to be implemented are eligible. In applications where the water pollution control project is a plan or document that will direct water quality protection or improvement efforts, loans will be made to applicants that have the capacity and capability of implementing the plan and repaying the loan.

d. *Project eligibility.* Eligible general nonpoint source projects include, but are not limited to, agricultural well sealing, urban sedimentation basins, construction of wetlands and riparian lands, restoration of habitat, stream bank restoration and stabilization, remediation of underground storage tanks, remediation of aboveground storage tanks, urban storm water runoff best management practices and management facilities, sediment traps, wetland flood prevention areas, water conservation and reuse, and development of environmental management systems. Nontraditional nonpoint source projects that may have a water quality protection or improvement component include, but are not limited to, bird sanctuaries and wildlife enhancement projects, brownfield remediation, environmental insurance for brownfield remediation, vegetative plants, street sweepers and leaf removal equipment, closure of municipal landfills, salt storage sheds, sediment removal, wetland mitigation bank and education programs.

93.7(2) Applying for assistance. Applications for assistance from the GNS set-aside shall be submitted to the department at Environmental Services, Iowa Department of Natural Resources, Henry A. Wallace Building, 502 E. Ninth Street, Des Moines, Iowa 50319-0034. Application forms will be provided by the department. Applications shall include an explanation of how the water quality will be protected, improved or restored by the proposed project. Applications will be accepted on a continuous basis.

93.7(3) Rating and ranking. Using information included in the application, the department will rate and rank the projects. The department will identify the highest rated projects and provide the applicant a memorandum of approval for the proposed water pollution control project. The department will earmark the set-aside funds for the water pollution control projects to be funded. These funds will be available for six months after the IUP is approved in order for the applicant to complete the loan.

93.7(4) Eligible costs. All costs directly related to the implementation of the project approved in the memorandum of approval are eligible costs.

93.7(5) Ineligible costs. Costs for livestock water quality facilities are not eligible under this set-aside and are provided for in rule 567—93.5(455B). Costs for the purchase of land are not eligible costs unless specifically approved by the commission.

93.7(6) Site access. The recipient shall agree to provide the department and the department's agent access to the project site to verify that the loan was used for the purpose intended.

These rules are intended to implement Iowa Code sections 455B.291 to 455B.299, 466.8 and 466.9.

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